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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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(Mark One)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 1992

T92-2236

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
JUL 17 1992

Commission file number 0-19269

Sun Television and Appliances, Inc.
(Exact name of Registrant as specified in its charter)

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Delaware	31-1178151
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
1583 Alum Creek Drive, Columbus, OH	43209
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (614) 445-8401

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES X NO _____

Indicate the number of shares outstanding in each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 1992
Common shares, $.01 par value	6,883,984 shares

This document contains 11 pages of which this is page 1. The exhibit index is on page 9.

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SUN TELEVISION AND APPLIANCES, INC.
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SUN TELEVISION AND APPLIANCES, INC.
CONSOLIDATED STATEMENT OF INCOME
For the three months ended May 31, 1992 and 1991
(In thousands except per share amounts)
(Unaudited)

	1992	1991
Net sales and service revenues	$ 70,261	$ 50,180
Cost of sales	50,376	35,724
Gross profit	19,885	14,456
Selling, general and administrative	17,620	12,673
Amortization of intangibles	123	127
Income from operations	2,142	1,656
Other income (expenses):		
Interest income	33	87
Interest expense	<161>	<463>
	<128>	<376>
Income before income taxes	2,014	1,280
Income taxes	776	496
Net income	$ 1,238	$ 784
Net income per share	$ .17	$ .15
Weighted average shares outstanding	7,167	5,170

The accompanying notes are an integral part of these consolidated financial statements.

SUN TELEVISION AND APPLIANCES, INC.
CONSOLIDATED BALANCE SHEET
May 31, 1992 and February 29, 1992
(In thousands)

	May 31, 1992 (Unaudited)	February 29, 1992
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,356	$ 2,927
Trade accounts receivable net of allowance for doubtful accounts of $200 and $200	7,430	8,478
Merchandise inventory	51,264	40,773
Prepaid expenses and other	1,355	1,678
Deferred income taxes	639	409
Total current assets	64,044	54,265
Proceeds receivable from stock offering	—	12,375
Property and equipment, net	26,973	26,340
Deferred income taxes	4,865	4,555
Intangible assets	16,911	17,048
Total assets	$112,793	$114,583
LIABILITIES		
Current liabilities:		
Accounts payable, trade	$ 18,970	$ 14,770
Accrued liabilities	6,213	5,621
Income taxes payable	2,735	3,156
Current portion of deferred revenue	10,093	9,714
Total current liabilities	38,011	33,261
Long-term debt	8,602	16,979
Deferred revenue, non-current	12,419	11,734
STOCKHOLDERS' EQUITY		
Preferred stock, $.01 par value, 500 shares authorized - none issued	—	—
Common stock, $.01 par value, 10,000 shares authorized 6,884 shares issued and outstanding	69	69
Additional paid-in capital	37,928	37,928
Retained earnings	15,764	14,612
Total stockholders' equity	53,761	52,609
Total liabilities and stockholders' equity	$112,793	$114,583

The accompanying notes are an integral part of these consolidated financial statements.

SUN TELEVISION AND APPLIANCES, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended May 31, 1992 and 1991
(In thousands)
(Unaudited)

	1992	1991
Cash flows from operating activities:		
Net income	$ 1,238	$ 784
Adjustments to reconcile income to net cash provided by operating activities:		
Depreciation and amortization:		
Property and equipment	536	435
Goodwill and other intangibles	137	151
Deferred revenue	1,064	583
Deferred income taxes	<540>	<256>
Changes in items affecting operations:		
Trade accounts receivable	1,048	<515>
Merchandise inventory	<10,491>	<12,430>
Prepaid expenses and other	323	—
Accounts payable, trade	4,200	7,893
Accrued liabilities	592	<420>
Income taxes payable	<421>	< 18>
	<4,749>	<5,490>
Net cash (used) by operating activities	<2,314>	<3,793>
Cash flows from financing activities:		
Bank credit line borrowings	4,000	2,000
Reduction of long-term debt	<12,377>	<7,000>
Public stock offering	12,375	—
Dividends on common stock	<86>	—
Net cash provided (used) by financing activities	3,912	<5,000>
Cash flows from investing activities:		
Additions to property and equipment, net of disposals	<1,169>	<565>
Net cash (used) in investing activities	<1,169>	<565>
Increase (decrease) in cash and cash equivalents	429	<9,358>
Cash and cash equivalents, beginning of year	2,927	10,034
Cash and cash equivalents, end of period	$ 3,356	$ 676
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 111	$ 1,069
Income taxes	$ 2,145	$ 932

The accompanying notes are an integral part of these consolidated financial statements.

SUN TELEVISION AND APPLIANCES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The consolidated financial statements as of May 31, 1992 and 1991 include the accounts of Sun Television and Appliances, Inc. (the "Company") and its wholly-owned subsidiary, are unaudited, and are presented pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, the Notes to the Consolidated Financial Statements which are contained in the Company's 1992 Annual Report should be read in conjunction with these Consolidated Financial Statements. In the opinion of management, the accompanying unaudited financial statements reflect all adjustments necessary (which are of a normal recurring nature) to present fairly the financial position, results of operations and cash flows for the interim periods presented, but are not necessarily indicative of the results of operations for a full fiscal year.

2. Stockholders' Equity

On May 2, 1991 the Company effected a stock split of 31.25-for-1 which has been treated retroactively for all periods presented by adjusting the balances of common stock and paid-in capital and adjusting the number of shares issued and authorized.

During the year ended February 29, 1992 the Company issued 1,854,300 shares of common stock in two public offerings, the first for 1,104,300 shares at a price of $10 per share and the second for 750,000 shares at a price of $17.50 per share. The net proceeds to the Company, after underwriting discount and expenses payable by the Company, were used to repay a substantial portion of long-term debt.

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATION AND FINANCIAL CONDITION

RESULTS OF OPERATION

The Company recorded net income of $1,238,000 or $.17 per share for the first quarter ended May 31, 1992 compared to $784,000 or $.15 per share for the similar period last year. The increase is attributable to substantially higher sales volume, slightly improved selling, general and administrative expenses as a percent to sales and lower interest expense, partially offset by higher cost of merchandise as a percent to sales.

Net Sales and Service Revenues

Net sales and service revenues for the quarter ended May 31, 1992 were $70,261,000 an increase of $20,081,000 or 40% over the $50,180,000 for the comparable quarter of last year. The increase is attributable to sales from seven new stores (a net increase of five) opened during the latter half of fiscal 1992, plus a comparable store sales increase of 3.8%. Sales of air conditioners were adversely affected this quarter versus the comparable quarter due to the cool weather experienced this quarter as compared to the unseasonably warm May last year in the Company's market areas. This was offset by increased sales of computers due to expanded product lines carried by the Company as well as increased emphasis on the category.

Gross Profit

Gross profit of $19,885,000 (28.3% of sales) for the first quarter of this year represents an increase of $5,429,000 or 37.6% over last year's first quarter amount of $14,456,000 (28.8% of sales). The decrease, as a percentage of sales, of gross profit versus last year was due to lower gross margin on air conditioner sales, lower than Company average gross margin on the increased computer sales, an uncertain retail environment and a slight decrease of sales of extended service contracts as a percentage of total volume.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $17,620,000 for the quarter ended May 31, 1992 versus $12,673,000 for the comparable quarter last year, an increase of $4,947,000 or 39.0%. As a percent to sales, selling, general and administrative was 25.1% versus 25.3% last year. The decrease was primarily attributable to reductions in payroll costs, reflecting efficiencies associated with an increased store base, offset by increased utilization of outside warehousing and merchandise repair services.

Interest Expense

Interest expense for the first quarter declined substantially from the comparable quarter last year due to significantly lower average borrowing needs, as well as a decline in average interest rates. The reduction in borrowing requirements is attributable to the utilization of the proceeds from the two public offerings to pay down debt.

Income Taxes

The provision for income taxes is based on the current estimate of the annual effective tax rate.

FINANCIAL CONDITION

The Company's financial condition continues to be strong with long-term debt having been reduced with the proceeds from the most recent public offering. The current ratio at the end of the first quarter is 1.68 as compared to 1.63 at the end of fiscal 1992. The debt-to-equity ratio of .16 at May 31, 1992 compares favorably to .32 at the end of fiscal 1992.

The Company expects to open one new store during the second quarter of this year and three to five stores during the third quarter. The Company intends to fund the capital requirements relating to the new stores through its cash flows from operations and borrowings available under its credit facilities.

PART II. - OTHER INFORMATION

In accordance with the instruction to Part II, the other specified items in this part have been omitted because they are not applicable or the information has been previously reported.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

11. Computation of Earnings per Share — Page 11

(b) Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUN TELEVISION AND APPLIANCES, INC.
(Registrant)

By /s/ Robert E. Oyster
Robert E. Oyster, President and Treasurer
(Chief Financial Officer) *

Date: July 10, 1992

* Mr. Oyster is the principal financial officer and has been duly authorized to sign on behalf of the Registrant.

SUN TELEVISION AND APPLIANCES, INC.
COMPUTATION OF NET INCOME PER COMMON SHARE
(In thousands except per share amounts)
(Unaudited)

	Three Months Ended May 31,	
	1992	1991
Net income	$ 1,238	$ 784
Common shares outstanding:		
Weighted average	6,884	5,000
Dilutive effect of stock options	283	170
Weighted average shares used to calculate net income per share	7,167	5,170
Net income per share	$ .17	$ .15